



HEALTH INFORMATION TECHNOLOGY

On July 24 Governor Schwarzenegger will convene a summit at the University of California Los Angeles to address the issue of health care affordability. The rising costs of prescription drugs, hospital care and insurance premiums pose a very serious challenge to the state's health care system, and meaningful reforms are necessary to ensure that all Californians have access to affordable health care. The summit provides a forum for representatives from all sides of this issue—including consumer, business, labor, government, public health, provider and research communities—to discuss the critical forces driving rising costs and identify the next steps that will lead to the Governor's plan of announcing comprehensive health care reforms early next year.

In conjunction with the summit, Governor Schwarzenegger is announcing actions by his administration to support affordability through health information technology, negotiated discounts on prescription drugs, school-based health centers and funding for stem cell research.

Sharing data to reduce patient and provider costs and improve quality of care

The Governor has signed an Executive Order to develop a statewide plan to encourage the adoption and implementation of health information technologies (HIT). California has established a goal to achieve, within the next decade, full data information exchange between consumers, insurers, health care providers, researchers and government agencies.

The federal Department of Health and Human Services estimates that increasing HIT use nationally could save the United States \$140 billion each year. HIT supports affordable healthcare by 1) ensuring health information is available at the point of care for all patients; 2) improving safety, reducing medical errors and avoiding unnecessary or duplicative procedures; 3) improving coordination between health providers; 4) empowering patients to participate in their health care decisions by providing them with accurate information; and 5) ensuring that rural and underserved areas have access to an HIT structure.

Two examples of HIT are telemedicine centers, which permit doctors to diagnose patients through video conferencing, and networked databases between health care entities like hospitals, nursing homes and pharmacies.

Currently there are numerous and conflicting standards in collecting and reporting personal health information that make information sharing impossible. For patients, HIT will ensure that accurate, updated medical information is available wherever and whenever they are treated. For doctors, nurses and other providers, HIT will allow for more accurate and timely diagnosis and treatment.

The Executive Order directs the Secretaries of Health and Human Services and Business, Transportation & Housing, and the Director of the Department of Managed Health Care, to devise financing strategies to allocate at least \$240 million to benefit rural communities, medical groups and safety net providers, and to develop public/private financing alternatives to expedite HIT adoption by hospitals, physicians and health care providers. It directs them to work with stakeholders to create a sustainable business model for an eHealth network connecting rural health clinics to medical centers throughout the state using telemedicine and other technology. It outlines the goals and objectives of the eHealth Action Forum, where a statewide policy agenda will be articulated; it also directs agencies to report back within 60 days of the forum and implement a comprehensive HIT program by July 1, 2007.

The eHealth Action Forum will achieve the following for the purposes of policy and planning:

- Define why HIT is valuable for California, and set goals for implementation.
- Articulate state government's role in HIT development.
- Catalog initiatives already underway in California, and determine how these can be integrated.
- Identify laws and regulations that hinder HIT adoption and recommend changes.
- Determine statewide standards for HIT adoption so that all systems can work together.
- Ensure the most secure safeguards for consumer information.